

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

**AUDIT OF PROPERTY DONATED  
TO THE GOVERNMENT OF  
THE DISTRICT OF COLUMBIA**



**CHARLES C. MADDOX, ESQ.  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL



Inspector General

October 12, 2000

Paul L. Vance, Superintendent  
District of Columbia Public Schools  
825 North Capital Street, N.E., Suite 9026  
Washington, D.C. 20002

Dear Dr. Vance:

Enclosed is the final report on the "Audit of Property Donated to the Government of the District of Columbia" (OIG-00-1-07MA). The objective of our audit was to determine whether donated property given to District of Columbia Public Schools (DCPS) was properly controlled, safeguarded, accounted for, and used for the intended purpose(s) for which it has been donated. Our audit covered fiscal years 1997 through fiscal year 1999 for property donated from private sources, and from January 1998 through February 2000 for property donated by the federal government. For school years 1997-1999 alone, two major food chains donated nearly \$880,000 in supplies and equipment to participating District schools. Computer equipment donated by the United States Treasury Department to five District schools selected for examination had an original acquisition value of nearly \$435,000.

We selected 84 pieces of equipment that were donated by the food chains. Equipment was selected based on value and the likelihood that it may be subject to loss. With the exception of five items, all donated items were found and located on school premises. However, our examination of 287 items of federal computer equipment selected was not as successful. For the 287 computer equipment items, schools were only able to account for 35 items, or only 12 percent of the equipment they supposedly received.

We determined that DCPS officials were not adequately controlling donated property. Schools did not have policies and procedures that would guide responsible personnel to safeguard and account for donated property. Moreover, proper inventory records were not maintained that would indicate what donated property was actually received, its current location and the responsible person to which it has been assigned, and whether the property was subsequently disposed of. This condition essentially existed at all schools visited. As a result, school personnel could not fully assure us whether they ever received the donated property or that property was eventually disposed of. Additionally, the DCPS Warehouse Center, the entity responsible for maintaining accurate records of inventories of school property, was failing to (1) conduct annual physical inventories and (2) reconcile what is contained on the master inventory record at the DCPS Warehouse Center with property in the possession of schools.

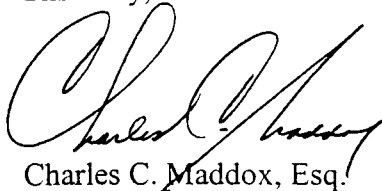
Paul Vance, Superintendent, DCPS  
October 12, 2000  
Final Report OIG-00-1-07MA

We made two recommendations which center on implementing an inventory system that (1) encourages effective property management and control over donated property and (2) facilitates the maintenance of accurate property records, physical inventories and assignment of control responsibility.

We appreciate the cooperation and courtesies extended to our staff by DCPS personnel during the audit. Further, we commend the DCPS management and staff for facilitating the audit process and recognizing the need to improve controls over donated property. The DCPS response to our draft report is included as Appendix C.

If you have any questions, please contact me at (202) 727-2540, or William J. DiVello, Assistant Inspector General for Audits, at (202) 727-8279.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles C. Maddox". The signature is stylized with a large, looping initial "C" and a long, sweeping underline.

Charles C. Maddox, Esq.  
Inspector General

Enclosure

cc: See distribution attached

## **DISTRIBUTION:**

The Honorable Anthony A. Williams, Mayor, District of Columbia (1 copy)  
Dr. Abdusalam Omer, Chief of Staff (1 copy)  
Mr. John A. Koskinen, City Administrator/Deputy Mayor for Operations (1 copy)  
Ms. Peggy Armstrong, Mayor's Press Secretary (1 copy)  
Ms. Lydia Sermons, Director, Office of Communications (1 copy)  
The Honorable Alice M. Rivlin, Chairman, DCFRA (1 copy)  
Mr. Francis Smith, Executive Director, DCFRA (1 copy)  
Mr. Russell Smith, Chief of Staff, DCFRA (5 copies)  
The Honorable Linda W. Cropp, Chairman,  
    Council of the District of Columbia (1 copy)  
Ms. Phyllis Jones, Secretary to the Council (13 copies)  
The Honorable Kathleen Patterson, Chairperson, Committee on Government Operations, Council  
    of the District of Columbia (1 copy)  
Dr. Natwar M. Gandhi, Chief Financial Officer (4 copies)  
Ms. Deborah K. Nichols, D.C. Auditor (1 copy)  
Mr. Jacques Abadie, Interim Chief Procurement Officer,  
    Office of Contracting and Procurement (1 copy)  
Mr. Jeffrey C. Steinhoff, Assistant Comptroller General, GAO (1 copy)  
Ms. Gloria Jarmon, Director, Civil Audits, HEHS, GAO (1 copy)  
The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives (1 copy)  
Mr. Jon Bouker, Office of the Honorable Eleanor Holmes Norton (1 copy)  
The Honorable Ernest J. Istook, Jr., Chairman, House Committee on Appropriations,  
    Subcommittee on D.C. (1 copy)  
Mr. John Albaugh, Office of the Honorable Ernest J. Istook, Jr. (1 copy)  
Mr. Migo Miconi, Clerk, House Subcommittee on D.C. Appropriations (1 copy)  
The Honorable James P. Moran, Jr., House of Representatives Committee on Appropriations  
Mr. Tim Aiken, Office of the Honorable James Moran, (1 copy)  
The Honorable Tom Davis, Chairman, House Committee on Government  
    Reform and Oversight, Subcommittee on D.C. (1 copy)  
Ms. Melissa Wojciak, Staff Director, House Committee on Government Reform and Oversight,  
    Subcommittee on D.C. (1 copy)  
Mr. Robert Dix, Clerk, House Committee on Government Reform and Oversight, Subcommittee  
    on D.C. (1 copy)  
The Honorable George V. Voinovich, Chairman, Senate Subcommittee on  
    Government Oversight (1 copy)  
Mr. Peter M. Rowan, Legislative Clerk, Senate Subcommittee on Government  
    Oversight (1 copy)  
The Honorable Kay Bailey Hutchison, Chairman, Senate Appropriations,  
    D.C. Subcommittee (1 copy)  
Ms. Mary Beth Nethercutt, Clerk, Senate Committee on Appropriations,  
    D.C. Subcommittee (1 copy)

## TABLE OF CONTENTS

---

### EXECUTIVE DIGEST

OVERVIEW .....	1
CONCLUSIONS .....	1
CORRECTIVE ACTIONS .....	2

---

### INTRODUCTION

BACKGROUND.....	3
OBJECTIVES.....	4
SCOPE AND METHODOLOGY.....	4

---

### FINDINGS AND RECOMMENDATIONS

FINDING 1: SCHOOL ACCOUNTABILITY FOR DONATED PROPERTY NEEDS IMPROVEMENT.....	6
FINDING 2: SCHOOL WAREHOUSE CENTRAL INVENTORY RECORDS ARE INACCURATE AND PERIODIC RECONCILIATIONS ARE NOT PERFORMED.....	11

---

### APPENDIXES

- A. DISTRICT SCHOOLS VISITED
- B. SAMPLE INVENTORY ITEM CONTROL SPREADSHEET
- C. DCPS RESPONSE TO DRAFT REPORT

## EXECUTIVE DIGEST

---

### **OVERVIEW**

This report summarizes the Office of the Inspector General's (OIG) audit of donated property received by public schools in the District of Columbia. The majority of donated property received by the District of Columbia Public Schools (DCPS) is given to District agencies by corporate business entities and the federal government. Of the corporate entities, two major food chains within the Washington metropolitan area are significant educational partners that provide thousands of dollars in school supplies and equipment to District, Maryland and Virginia public schools. These programs are an important way to help improve the quality of education in local communities and help reduce the cost to the District of Columbia for needed school supplies and equipment. For school years 1997-1999 alone, these food chains donated nearly \$880,000 in supplies and equipment to participating District schools.

The federal government, by virtue of Presidential Order 12999, dated April 17, 1996, also has a program that advocates the transfer of useful federal computer equipment to educational and nonprofit organizations. The purpose of this program is to transfer excess and surplus federal computer equipment to local schools in order to promote the learning of computer technology and to make modern computer technology an integral part of every classroom. Many District schools received computer equipment donated by federal agencies. Property donated by the United States Treasury Department to five District schools selected for examination had an original acquisition value of nearly \$435,000.

DCPS "Standard Operating Procedures for Property Management" sets forth the policies and procedures for controlling and maintaining appropriate inventory records for equipment and other property owned by the school system. Additional criteria for the control and inventory of fixed assets are contained in the "Financial Policies and Procedures Manual" of the Office of the Chief Financial Officer. Each school principal is the accountable administrator for the property received, whether purchased, donated, or otherwise acquired.

### **CONCLUSIONS**

Controls over donated property for schools that we visited were essentially nonexistent, despite the requirement to maintain proper controls and inventory procedures to account for equipment received by school officials. This condition accounts for the reasons why schools visited could not fully account for all donated property. Although we focused on the controls maintained over donated property, our observations lead us to believe that there is an inherent weakness in property management in general.

## EXECUTIVE DIGEST

---

Specifically, we found no school policies or procedures governing the control and inventory of donated property. As a result, school personnel could not fully assure us whether they ever received the donated property or that property was eventually disposed of. In some instances, computers donated by the federal government and received by schools could not be located and/or fully accounted for. Additionally, the DCPS Warehouse Center, the entity responsible for maintaining accurate records of inventories of school property, did not to conduct annual physical inventories and reconcile what is contained on the master inventory record at the DCPS Warehouse Center with property in the possession of schools.

We believe that the lack of proper controls over donated property only encourages the potential for pilfering and diversion of school equipment needed to enhance the educational level of students, and ultimately hinders the effective operation of District of Columbia schools.

### **CORRECTIVE ACTIONS**

We directed two recommendations to the Superintendent of DCPS that represent the actions that we believe are necessary to correct the deficiencies noted during our audit. The recommendations center on:

- Implementing an inventory system to provide full utilization of donated property and to facilitate effective property management and control; and
- Instructing and stressing to school officials the requirement for maintaining accurate property records, physical inventories and assignment of control responsibility.

On October 3, 2000, DCPS provided a formal response to the recommendations in the draft report. Management concurred with the report and provided a listing of actions taken or planned to address each recommendation. The complete response is included as Appendix C.

## INTRODUCTION

---

### **BACKGROUND**

District of Columbia agencies receive donated property from various private organizational entities and federal government sources. The vast majority of property donated is received by the District of Columbia Public Schools (DCPS) in support of furthering the educational process for students and bringing technology awareness to classroom settings. District schools receive most donated property directly from donor sources, although there are instances where property is donated to the administrative offices of DCPS and later distributed to schools by the DCPS Warehouse Center. The majority of donated property is received directly by schools. The accountable administrators or their designees for the recipient schools and the DCPS Warehouse Center personnel are the primary entities for maintaining the proper controls and ensuring that such property is fully accounted for.

The majority of donated property received by DCPS is given to District agencies by corporate business entities and the federal government. Of the corporate entities, two major food chains within the Washington metropolitan area are significant educational partners that provide thousands of dollars in school supplies and equipment to District, Maryland and Virginia public schools. These programs are an important way to help improve the quality of education in local communities and help reduce the cost to the District of Columbia for needed school supplies and equipment. For school years 1997-1999 alone, these food chains donated nearly \$880,000 in supplies and equipment to participating District schools.

Schools voluntarily participate in the food chains' donation programs. Schools are eligible to participate by submitting the value of grocery receipts provided by students and earning dollar credit or points. After compiling the needed credit or point values, schools order the desired items from the catalogues they have been provided. The items are shipped directly from the vendor to the school. The vendors, in turn, invoice the food chains for the items shipped to the school. Donated equipment includes a wide range of items—from supplies that are expendable to equipment and software that should be inventoried and properly controlled and accounted for.

The federal government, by virtue of Presidential Order 12999, dated April 17, 1996, also has a program that advocates the transfer of useful federal computer equipment to educational and nonprofit organizations. The purpose of this program is to transfer excess and surplus federal computer equipment to local schools throughout the country in order to promote the learning of computer technology and to make modern computer technology an integral part of every classroom. Many District schools have been the recipient of computer equipment donated by federal government agencies. As



## INTRODUCTION

---

part of our audit, we decided to examine the accountability of computer equipment donated to select District schools by the U.S. Treasury Department. Property donated by the U.S. Treasury Department to five District schools selected for examination had an original acquisition value of nearly \$435,000.<sup>1</sup>

DCPS Warehouse Center regulations, entitled “Standard Operating Procedures for Property Management,” issued July 1999, set forth policies and procedures that facilitate effective property management and control. The warehouse center is responsible for maintaining central property records for the entire school system. Accordingly, the warehouse center is responsible for maintaining accurate records to include recording, updating, and disposing of property that is part of the DCPS schools.

Likewise, the accountable administrators—school principals or their designees—are responsible for accounting and records maintenance of all items of equipment and furniture acquired or disposed of, regardless of source or reason. Each administrator is responsible for developing and providing instructions with respect to the proper care, use, and safeguarding of all property. While the regulations set the minimum value thresholds of \$1000 per item that should be controlled and accounted for in inventory, there are exceptions for computer equipment, video equipment, cameras, etc., which are valued at a lesser amount. Similarly, the “Financial Policies and Procedures Manual,” issued by the Office of the Chief Financial Officer, advocates the control of tangible property that is considered valuable and/or sensitive with a high risk for theft. Additionally, the accountable administrator is responsible for notifying the DCPS Warehouse Center of any property that it directly receives so that DCPS inventory records will accurately reflect the accountable equipment and property that is located at District schools.

## **OBJECTIVES**

The objectives of our audit were to determine whether donated property given to DCPS was properly controlled, safeguarded, accounted for, and used for the intended purpose(s) for which it has been donated.

## **SCOPE AND METHODOLOGY**

Our audit focused on the practices used by DCPS for controlling and safeguarding property acquired through donor sources. We selected DCPS because we determined that it is the agency that receives most of the donated property acquired by the District of

---

<sup>1</sup> The original acquisition value of computer equipment earmarked for Anacostia Senior High School is not reflected in this amount because the school never received the equipment. See page 7 for additional details.

## INTRODUCTION

---

Columbia. We made this determination by conducting a mail survey to all major District departments and agencies to determine the extent of donated property received. Through available records, we identified donors of property to DCPS and selected those donors who have provided the majority of property received. Consequently, two large food chains and a federal agency were selected in order to perform the needed tests.

We did not survey federal agencies to determine the full extent of property donated to District schools. However, because of prior knowledge of a Treasury program—"Partnerships in Education"—we selected property donated by the U.S. Treasury Department pursuant to Presidential Order 12999. The audit covered fiscal years 1997 through 1999 for property donated by the food chains. Similarly, our audit examined property donated by the Treasury Department from January 1998 through February 2000.

We met with food chain personnel to learn how the school donation program operates and the types of supplies and equipment that schools receive. We met with personnel of DCPS Superintendent's Office to determine the process, policies, and procedures that schools should comply with when they receive property donations. We interviewed DCPS Warehouse Center personnel and each of the principals and other school personnel responsible for record keeping and controlling donated property for each of the schools visited. A staff member from the DCPS Superintendent's office accompanied OIG staff on each school visit. Discussions were also held with Treasury personnel responsible for donating property under Presidential Order 12999.

We selected and visited 12 District schools (see Appendix A). These schools were selected because of the nature and value of equipment they received from the food chains and the Department of Treasury. High value items were selected for examination because of their susceptibility to theft or unauthorized use. We selected and reviewed 84 pieces of equipment donated by the food chains. Additionally, we selected and reviewed 370 pieces of computer equipment donated by the Department of Treasury.

It should be noted that in some instances our examination of computer equipment donated by the Department of the Treasury was impaired due to the inaccuracy of its records. We noted that one District school never received the computer equipment earmarked for it. The Treasury Department's records for this donation could not fully be relied upon. Due to apparent discrepancies in Treasury's record keeping process, it was necessary to alert the Treasury's Office of Inspector General of this condition.

Our audit was conducted in accordance with the generally accepted government auditing standards. This audit was part of the OIG's FY 2000 Audit Plan.

## **FINDINGS AND RECOMMENDATIONS**

---

### **FINDING 1: SCHOOL ACCOUNTABILITY FOR DONATED PROPERTY NEEDS IMPROVEMENT**

#### **SYNOPSIS**

District of Columbia Public Schools were not adequately controlling donated property. Schools did not have policies and procedures that would guide responsible personnel for safeguarding and accounting for valuable donated property. Moreover, proper inventory records were not maintained that would indicate what donated property was actually received, its current location and responsible person to which it has been assigned, and whether the property was disposed of. This condition essentially existed at all schools visited.

As a result, valuable educational equipment could be stolen, misappropriated, or diverted for personal gain. Because of the lack of effective controls, schools could not provide the necessary assurance that all the property donated had been received and was accounted for. This condition occurred because the school officials were unaware of the need to maintain official inventory records and perform periodic checks to determine that donated equipment was still in the school's possession. School officials informed us that they were never informed of the type of records that they should maintain to control property under their jurisdiction. Additionally, school personnel were not informing the DCPS Warehouse Center personnel of property donated directly to the schools. The warehouse center's central inventory record for each school was inaccurate. This topic is discussed under the next Finding heading.

#### **AUDIT RESULTS**

OIG personnel visited 12 District public schools to assess practices used to control and safeguard donated property received from 2 major food chains and an agency of the federal government. Most of the schools did not maintain official inventory records, thus making it difficult to ascertain the whereabouts of the property donated. School officials that we interviewed told us that they were unaware of any requirement to have written procedures or maintain proper inventory records that would account for donated property. As a result, the schools visited were unable to fully account for property that was donated. In other words, donated property purported to have been received by schools could not always be found, and explanations provided by school personnel as to what might have happened to the equipment could not be verified.

Of the 12 schools selected, 6 received donated property from the food chains that sponsored the school supplies and equipment donation program. As reported to us by the Departmental Offices of the U.S. Treasury Department, the remaining 6 schools received donated federal computer equipment under the Presidential Order 12999. However,

## FINDINGS AND RECOMMENDATIONS

---

during the course of our audit, we noted where 83 items of federal excess computer equipment was destined for Anacostia Senior High School, but was never received by that school. Instead, the equipment was given to a church member and another person who represented herself as an Anacostia high school employee who works for the night school.

At another school, according to U.S. Treasury records, 48 pieces of computer equipment were given to Shadd Elementary School. However, neither the school principal nor property personnel could account for this equipment. This school was officially closed and reopened and different personnel were assigned to operate the school. Because of the lack of inventory and appropriate disposal records, we could not ascertain whether the equipment was actually received, diverted for personal gain, or subsequently disposed of. The existence of official school inventory records and associate equipment safeguards would evidence the whereabouts of donated equipment.

We selected 84 pieces of equipment that were donated by the food chains. Equipment was selected based on value and the likelihood that it may be subject to loss. With the exception of five items, all donated items were found and located on school premises. However, our examination of 370 items of federal computer equipment selected was not as successful. As previously stated, Anacostia High School did not receive federal excess computer equipment; therefore, we did not consider these items as not accounted for. For the remaining 287 computer equipment items, schools were only able to account for 35 items, or only 12 percent of the equipment they supposedly received. The following table summarizes the results of our examination at selected schools.

**Table 1. Property Donated to District School  
During Fiscal Years 1997 through February 2000**

School Receiving Property	Number of Items Donated		Number of Items Located	
	Food Stores	Federal Govt.	Food Stores	Federal Govt.
Deal Junior High School	6	0	6	0
Walker-Jones Elementary	7	0	7	0
Shadd Elementary	0	48	0	0
Spingarn Stay High School	0	62	0	0
Spingarn Senior High School	3	0	3	0
Elliot Junior High School	51	0	51	0
Cardozo Senior High School	12	1	12	1
Anacostia Senior High School	2	0 <sup>2</sup>	0	0
MacFarland Middle School	0	47	0	4
Woodson Senior High School	0	24	0	12
Beers Elementary	0	105	0	18
Barnard Elementary	3	0	0	0
<b>Totals</b>	<b>84</b>	<b>287</b>	<b>79</b>	<b>35</b>

<sup>2</sup> Computers earmarked for Anacostia High School were never shipped or received by school officials.

## FINDINGS AND RECOMMENDATIONS

---

Our examination of federal computer equipment received by Spingarn Stay High School further demonstrates the lack of controls over donated property. According to Treasury records, 62 computer equipment items, primarily Pentium 133 computers, were given to the school on February 23, 2000. While the responsible individual acknowledged receipt of the computers, he could not account for any of them nor could they be located on the school premises. At the time of our visit on May 5, 2000, no inventory records existed and none of the computer equipment could be found. According to the individual responsible for receiving the federal computer equipment, the equipment was stored with other computer equipment that was earmarked for disposal. This individual contends that warehouse center personnel mistakenly took the Treasury computers as part of the shipment scheduled for disposal.

It should be noted that DCPS Warehouse Center procedures require that only DCPS personnel will move any equipment and furniture transferred from a school to another location and that the standard form (SF) 525, "Request for Transfer of Property," should be completed in order to ensure that records are adequately updated. School officials could not provide us with the required SF 525 that would have evidenced that the computers were ultimately disposed of.

We found similar conditions at other schools visited. School officials at Beers Elementary, MacFarland Middle School, and Woodson Senior High School could not fully account for the federal property received, did not maintain inventory records, or did not use the SF 525 for disposal of any federal equipment received that was not operational. In addition, we noted that none of the above schools that received federal donated computer equipment ever received a copy of the federal General Services Administration SF 122, "Transfer Order of Excess Personal Property," that would document what was actually received. Had this been done, schools would have better knowledge as to whether they actually received what they were supposed to have received.

Moreover, according to the DCPS Warehouse Center regulations, "Standard Operating Procedures for Property Management," accountable administrators must notify the Warehouse Property Management Office of accountable property received from other sources within 48 hours of receipt to ensure proper records are established. However, none of the schools visited provided the DCPS Warehouse Center with property updates so that the warehouse center could update their inventory records to accurately reflect what was located at each school. This existed because school officials simply did not know of the requirement to report changes in their inventories to the DCPS Warehouse Center.

## **FINDINGS AND RECOMMENDATIONS**

---

We are including an example of an inventory item control spreadsheet that schools may wish to use for tracking donated property that should be controlled (see Appendix B).

## **FINDINGS AND RECOMMENDATIONS**

---

### **RECOMMENDATION**

1. We recommended that the Superintendent of the DCPS develop and implement standard uniform written procedures for properly accounting for and safeguarding controllable donated property in order to ensure that all accountable school administrators require the following:
  - a. documenting the receipt of property received from federal agencies or other donor sources;
  - b. maintaining an inventory item control log or spreadsheet for all donated property received;
  - c. reporting to the DCPS Warehouse Center all controllable property shipped directly to the schools to be included in the warehouse center inventory records for each of the schools;
  - d. using the Request for Transfer of Property, SF 525, when disposing of school property and equipment that is no longer usable; and
  - e. verifying annually the items in their inventory are properly accounted for in school maintained inventory records.

### **DCPS RESPONSE**

The Logistical Services (Supply Management) shall be responsible for developing and implementing standard uniform written procedures for property accounting and safeguarding controllable donated property for all accountable school administrators.

Additionally, the Assistant Superintendents for the elementary, middle/junior and senior high divisions shall prepare a package of Superintendent's directives and distribute the directives to all principals.

### **OIG COMMENT**

The actions taken and planned by DCPS should correct the conditions noted.

## **FINDINGS AND RECOMMENDATIONS**

---

**FINDING 2: SCHOOL WAREHOUSE CENTRAL INVENTORY RECORDS ARE INACCURATE AND PERIODIC RECONCILIATIONS ARE NOT PERFORMED**

### **SYNOPSIS**

The DCPS Warehouse Center specifically, the Property Management and Accountability Section, is responsible for maintaining central property records for the entire school system. According to DCPS Warehouse Center regulations, an update of the central inventory records should be completed annually by conducting a physical inventory of all equipment and property at the schools that meet the criteria of controllable property. However, periodic spot checks of inventory records, reconciliation of school property records to the warehouse central inventory records, and bar-coding of acquired equipment was not always conducted. This practice does not encourage full utilization of DCPS property nor does it facilitate effective property management and control. This condition existed because of lax oversight practices employed by warehouse center personnel.

### **AUDIT RESULTS**

According to the warehouse center regulations, “Standard Operating Procedures for Property Management,” the warehouse center manager should conduct periodic spot checks of inventory records to ensure that appropriate inventory control procedures are observed at each school site. Differences between records and physical counts should be investigated and reported to management. Despite this requirement, these spot checks are not being performed. According to many of the principals interviewed, DCPS Warehouse Center personnel have not visited their schools for at least the last year, and sometimes longer, to conduct inventory spot checks or to bar-code donated equipment that has been received directly by the schools.

We requested and obtained the inventory record for each of the schools visited. As previously stated, the DCPS Warehouse Center maintains the official school inventory for schools in the DCPS system. A comparison of the donated property received directly by the schools (from the food chains and the federal government) to the official warehouse inventory record disclosed that the warehouse center's official inventory record was materially inaccurate. We found that none of the items donated to the schools by the food chains and the Treasury Department was included on the official inventory record. DCPS Warehouse Center personnel attributed these inventory inaccuracies to the fact that schools were not reporting the items received to the warehouse center. While we found this condition to be prevalent among the schools visited, we believe that the integrity of the inventory process was at risk because the warehouse center was not conducting the periodic spot checks that would identify inventory and record keeping discrepancies.



## **FINDINGS AND RECOMMENDATIONS**

---

Additionally, we noted that the warehouse center has established a practice of bar-coding property and equipment that is subject to inventory control. This is a positive step for maintaining control over property; however, we found that many of the items donated by the food chains and federal agencies were not bar-coded at all. According to school personnel, since warehouse center personnel were not making school visits, bar-coding of all items was not being done. While we believe that the lack of school visits contributes to this condition, we also believe that if school officials were informing warehouse center personnel of controllable property received directly by them, greater chances exist for warehouse center personnel to schedule the equipment to be bar-coded and recorded/updated in central inventory records.

### **RECOMMENDATION**

2. We recommended that the Superintendent of the DCPS ensure that the DCPS Warehouse Center take action to:
  - a. reconcile immediately school property and equipment inventories with the central inventory record that it maintains and annually thereafter;
  - b. conduct periodic spot checks of school inventory records with the physical inventory at each school site to ensure that schools are accurately maintaining inventory records and fully accounting for all controllable property; and
  - c. visit schools to bar-code all controllable property to ensure more effective control and safeguarding of school property.

### **DCPS RESPONSE**

The DCPS Warehouse will take action to reconcile school property and equipment inventories with central inventory records annually; conduct periodic inspections of school inventory records and compare with the actual physical inventory at each school to ensure that schools are accurately maintaining inventory records and accounting for all controllable property; and visit schools to barcode controllable property to ensure more effective control of property.

### **OIG COMMENT**

The actions taken and planned by DCPS should correct the conditions noted.

### **District Schools Visited**

Name of School	Date Visited
Barnard Elementary	April 12, 2000
Spingarn Senior High School	April 12,2000
Deal Junior High School	April 13, 2000
Walker-Jones Elementary	April 13, 2000
Cardozo Senior High School	April 14, 2000
Anacostia Senior High School	April 14, 2000
Elliot Junior High School	April 17 and 25, 2000
Shadd Elementary	April 18, 2000
Beers Elementary	April 26 and May 5, 2000
Woodson Senior High School	April 28, 2000
MacFarland Middle School	April 25 and May 11, 2000
Spingarn Stay High School	May 5 and May 10, 2000

**Sample Inventory Item Control Spreadsheet**

Date Property Received	Name of Individual Who Picked Up Property	How Acquired	Name of Donor	Description of Property	Model Number	Serial Number	Warehouse Barcode	Where Property Is Located in School	Name of School Personnel Responsible for Equipment	Date Equipment Was Disposed
		(purchase/donation)		(make and model)						